

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, To Increase Revenue Requirements for Electric and Gas Service and to Increase Rates and Charges for Gas Service Effective on January 1, 2003.

(U 39 M)

Application 02-11-017
(Filed November 8, 2002)

Investigation on the Commission's Own Motion Into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company.

Investigation 03-01-012
(Filed January 16, 2003)

Application of Pacific Gas and Electric Company Pursuant to Resolution E-3770 for Reimbursement of Costs Associated with Delay in Implementation of PG&E's New Customer Information System Caused by the 2002 20/20 Customer Rebate Program.

(U 39 E)

Application 02-09-005
(Filed September 6, 2002)

**DECISION GRANTING REQUEST TO DELAY FILING OF
TESTIMONY ON MARGINAL COSTS, REVENUE
ALLOCATION, AND RATE DESIGN**

On January 7, 2004, Pacific Gas and Electric Company (PG&E) and the Office of Ratepayer Advocates (ORA) filed a joint motion for a four-month delay to submit PG&E's testimony on marginal costs, revenue allocation, and rate design (also known as Phase 2 testimony). PG&E and ORA requested that the

Commission shorten the time to respond to the joint motion and waive the requirement for comments on a draft decision in response to the joint motion pursuant to Rule 77 (f)(9) of the Commission's Rules of Practice and Procedure.

PG&E and ORA state that a four-month delay in Phase 2 will allow time for more information to be available to parties regarding the interim rate reductions resulting from the Commission's approval of the Modified Settlement Agreement in PG&E's Bankruptcy proceeding and the Commission's decision in Phase 1 of PG&E's Test Year 2003 general rate case (GRC). PG&E and ORA also state that virtually all of the parties to Application 02-11-017 (the instant application) are also involved in Southern California Edison's GRC Phase 2. PG&E and ORA maintain that the requested four-month delay in PG&E's Phase 2 would alleviate significant staffing constraints, allowing all parties to participate meaningfully in both cases. PG&E and ORA request that a new due date of June 4, 2004, be approved. PG&E and ORA indicated that they have already discussed this request with other active parties to the proceeding and none appear to object to the request.

PG&E and ORA further state that they concurrently requested a day-for-day extension of the February 6, 2004 filing from the Commission's Executive Director. The executive director granted the requested day-for-day extension on January 20, 2004.

By ruling dated January 15, 2004, the assigned Administrative Law Judge (ALJ) established January 20, 2004 as the deadline for filing comments on the joint motion. No other party has commented on the requested delay.

PG&E's request to delay submission of its Phase 2 testimony is reasonable given the current schedule for processing PG&E's revenue requirement request and the schedules of other general rate cases. In the future, the ALJ may make revisions to the schedule as necessary to facilitate efficient management of this proceeding.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311 (g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Michael R. Peevey is the Assigned Commissioner and Julie M. Halligan is the assigned ALJ in these proceedings.

Finding of Fact

PG&E's request to delay the service of its Phase 2 testimony until June 4, 2004 is reasonable given the current schedule for processing PG&E's revenue requirement request and other GRCs.

Conclusion of Law

PG&E's request to delay serving its Phase 2 testimony until June 4, 2004 should be granted.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company's (PG&E) request to delay serving its testimony on marginal costs, revenue allocation, and rate design is granted.
2. PG&E shall serve its testimony on marginal costs, revenue allocation, and rate design on June 4, 2004.

This order is effective today.

Dated _____, at San Francisco, California